

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-305-E - ORDER NO. 2004-569
NOVEMBER 15, 2004

IN RE: Application of Progress Energy Carolinas,) ORDER
Inc. for Permission to Sell 85.7 Acres of) APPROVING
Utility Property in Montgomery County, NC,) PROPERTY
that is no Longer Needed to Provide Utility) SALE
Service.)

This matter comes before the Public Service Commission of South Carolina (the Commission) pursuant to the Application of Progress Energy Carolinas, Inc. (PEC or the Company) for permission to sell certain land that is not needed to provide electric utility service. Because of the following reasoning, the permission is granted.

In 1926, PEC purchased 119 acres to develop the Lake Tillery Hydro Electric Generating facility in Montgomery County, North Carolina. The purchase price was \$5,000.00. PEC has determined that 85.7 acres of this property is no longer needed. PEC advertised the property for sale and listed it on the Multiple Listing Service over a two month period. PEC has obtained an Opinion of Value that states that the value of the property in question is approximately \$10,000 per acre. PEC has entered into a contract to sell the property for \$15,000 per acre or \$1.285 million. From the date of its acquisition, the property has been held in Federal Energy Regulatory Commission (FERC) Account No. 101, Electric Plant in Service.

South Carolina Code Ann. Section 58-27-1300 (Supp. 2003) provides that an electric utility must first obtain Commission approval prior to selling or otherwise

transferring utility property with a fair market value greater than \$1 million. Therefore, PEC requests permission to sell the land in question. As noted by the Company, public notice and a hearing are not required by the statute.

PEC's proposed accounting treatment for this transaction is as follows: FERC Account No. 101, will be credited for the book value of the property; and FERC Account No. 421.1, Gain on Disposition of Utility Property, will be credited for the difference between book value and sale price.

We have examined the Application and hold that it is approved as filed. Both the sale and the proposed accounting treatment are reasonable as filed.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice Chairman

(SEAL)